



Building Bright Futures

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To: House Human Services Committee

From: Sarah Squirrell, Executive Director, Building Bright Futures, Commission Member

Testimony on the Blue Ribbon Commission on Financing High Quality, Affordable Child Care

Good morning. Thank you for inviting me to speak with you this morning. My name is Sarah Squirrell, and I am the Executive Director of Building Bright Futures, Vermont's public-private partnership charged under Act 104 with serving as the advisor to the Governor, Administration, and Legislature on issues related to young children, ages birth – 8, and their families. As a member of the Blue Ribbon Commission on Financing High Quality, Affordable Child Care, I want to add to the remarks you already heard from Charlotte Ancel, the Commission's Chair, and discuss in more detail some of the data and stories behind our findings and recommendations, as well as the need for our state to take concrete, actionable steps, as outlined in the Commission's recommendations, to strengthen our existing early care and learning system in the short-term and to transform our system in the long-term to ensure a bright future for Vermont's youngest children and their families.

As Charlotte discussed, early care and learning can be a critical tool in the economic well-being of Vermont families and our state's economy. Our research showed that lack of access to child care is commonly cited as one of the major barriers to work for families with young children, and research has shown that in the US, in a six-month period, 45% of parents are absent from work because of child care issues, missing an average of 4.3 days. Additionally, during a six-month period, 65% of parents' work schedules are affected by child care issues and average of 7.5 times. Studies have projected that these challenges costs US employers more than \$3 billion dollars annually. Stories we heard from community members further highlighted these issues, demonstrating how a lack of access to quality, affordable child care impacts families economic well-being, employers, and the broader economy.

Stories from Vermonters also highlighted the critical role that high-quality early care and learning programs can play in the lives of families experiencing crisis. Just last week, Building Bright Futures released our annual report, *How Are Vermont's Young Children and Families?* The report includes an important section that discusses how safe, supportive, and nurturing environments, like those offered in quality early care and learning programs, can play a critical role in the lives of children and their families. The report found that, "Parents and guardians who care for Vermont's children rely upon a wide variety of supports. When those supports are strong, parents are most effective in promoting their children's healthy development. However, when life is particularly demanding or social supports are weak, parents are more prone to stress and depression, which can interfere with nurturing interactions with their children. For these reasons, two-generation strategies, those that address the well-being of both parents and children, are particularly important." Currently, some Vermont early care and learning providers participate in a national, best-practices-informed program called Strengthening Families. The Strengthening Families approach is two-generational, and supports children and parents. The Commission saw facets of this approach as central to its definition of high-quality programming, ensuring that, in the future,

more young children and families would have access to two-generational support through the early care and learning system, which can be especially critical, as families in our state continue to struggle with opiate use and other serious issues.

Additionally, community members shared stories about how the issue of affordability impacts both families and early care and learning providers. These stories are supported by data in the 2016 edition of Building Bright Futures' *How Are Vermont's Young Children and Families?* report, which shows that under Vermont's current Child Care Financial Assistance Program, middle income families who qualify for tuition assistance still spend 25% - 38% of their income on child care. This ties directly to one of the report's other findings, which shows that more than half of Vermont families who rent, and 35% of families who own their home and pay a mortgage, spend more than 30% of the income on housing. Between those two factors, families may have already spent almost 70% of their income on just child care and house, before accounting for other basic expenses such as food, clothing, and transportation.

These challenges for family affordability also extend to early care and learning providers. Stories shared by community members and research conducted by the Commission demonstrated that the cost of child care does not mean that child care providers earn livable wages. Research conducted by the Commission found that, on average, child care workers in Vermont earn less than \$25,000 a year.

A key contributor to both of these affordability challenges stems from chronic underfunding of Vermont's Child Care Financial Assistance Program (known as C C F A P). This program was designed to ensure that families can afford child care and that providers are paid tuition rates that reflect market costs. However, systemic underfunding means that tuition assistance rates paid by the program have not kept pace with market rates (how much providers are currently charging families), leaving a gap between how much tuition assistance covers and actual tuition costs. tuition assistance rates have not kept pace with market rates (how much providers charge), leaving a gap between how much tuition assistance covers and actual tuition costs.

Early care and learning providers also shared other challenges they face in addition to not being able to make a livable wage including a need for more providers to enter into the field, the need to retain providers whose skills and educational experience allow them to move into the public education system, which pays significantly more than early childhood, and supports to strengthen and grow existing programs to address the state's current shortage of regulated early care and learning programs.

The short-term and long-term recommendations of the Commission present an important opportunity for the Legislature to take action to support Vermont's early care and learning system to better support children birth to five, their families, and their communities.

Building Bright Futures encourages the Governor, Administration, and Legislature to take action on the Commission's recommendations, and we stand ready to lead the long-term work needed to transform the state's early care and learning system, as recommended by the Commission. As Charlotte noted, the Commission recommended that the long-term work of developing and implementing a voluntary, equitable, high-quality, affordable early care and learning system be housed with Building Bright Futures. As the early childhood advisor to the Governor, Administration, and Legislature, Building Bright Futures is well positioned to fulfill this role. Through Act 104, we have the authority and duty to convene members of the early care and

learning community, medical community, education community, and other organizations, as well as state agencies serving young children, to ensure that families receive quality services in the most efficient and cost-effective manner.

I look forward to continuing to work with you to support our state's young children and families, and to development and implement a comprehensive, effective, and efficient early care and learning system for Vermont children birth to five that is high-quality, equitable, and affordable to support the healthy development of our children and the economic development of our state.

Thank you very much for your time and attention to this important report.

Building Bright Futures Statewide Network:

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